### REMARKS

### Summary

Claims 1-6, 8-13, 15-20 and 71 were pending, constituting Group I of elected claims and Claim 71 which was previously introduced as a linking claim. (This differs from the statement made at the first sentence on page 2 of the Office Action and in the summary sheet, but it is believed to be correct on the basis of the detailed action.) In the present Office Action, Claims 1-3, 6, 8-10, 13, 15-20 and 71 were rejected; Claims 5, 12 and 19 were objected to. In this response Claims 1, 5, 12, 19 and 71 have been amended; withdrawn Claims 29-31 have also been amended with the intent of rejoining them to this application as being dependent on generic allowable Claim 71; withdrawn Claims 35, 36, 47, 48, 59 and 60 have been amended in a manner similar to Claim 5. No new matter has been introduced. The Applicant respectfully submits that as a result of the amendments and the discussion presented herein, the pending claims are allowable. In addition, withdrawn Claims 7, 14 and 21, being dependent on now allowable Claim 1, are also allowable.

#### Claim Rejections

## 35 U.S.C. § 112, second paragraph

Claims 5, 12, and 19 were rejected under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which the applicant regards as the invention. Claims 5, 12 and 19 have been amended to replace "thickness" with "width", which obviates the rejection. Support for this wording is found at page 39, last line, bridging page 40, line 2.

## 35 U.S.C. § 102 (e)

Claims 1-3, 6, 8, 10-11, 13, 15, 17-18, 20 and 71 were rejected under 35 U.S.C. § 102 (e) as being anticipated by Hayashi (JP 2001-043512; "Hayashi"). Claims 1 and 71 have been amended to more clearly describe the subject matter.

Claim 1, now recites, inter alia,

... a pair of insulating layers extending over the hard bias layers and both top ends of the laminate in the track width direction; and

. . .

wherein said pair of lead layers have overlay sections which extend towards the center of the laminate and edges of the overlay sections extend beyond ends of the insulating layers towards the center of the laminate, the edges of the overlay sections being in contact with the laminate said pair of lead layers have overlay sections which extend towards the center of the laminate and edges of the overlay sections extend beyond ends of the insulating layers towards the center of the laminate, the edges of the overlay sections being in contact with the laminate, surfaces of portions of the laminate in contact with the edges of the overlay sections being recessed.

Claim 71, now recites, inter alia,

...wherein the pair of lead layers have overlay sections which extend on top ends of the laminate, edges of the overlay sections extending beyond ends of the insulating layers towards the center of the laminate, the edges of the overlay sections being in contact with the laminate said pair of lead layers have overlay sections which extend towards the center of the laminate and edges of the overlay sections extend beyond ends of the insulating layers towards the center of the laminate, the edges of the overlay sections being in contact with the laminate, surfaces of portions of the laminate in contact with the edges of the overlay sections being recessed.

Support for the amendment may be found in the specification at page 47, lines 2-12 and in Figs. 1, 9 and 10.

Hayashi teaches a magneto-resistive element comprising a magnetoresistive layer having a width almost corresponding to a recording track layer, a

pair of electrodes disposed on the vertical bias layer and electrically connected to the magneto resistive element, and covered by a laminated top gap layer. The magneto-restrictive layer is shown in Fig. 1 to have a flat top and no recesses, and thus does not correspond to the arrangement of amended Claims 1 and 71 which recite a laminate with recesses. (Hayashi, Abstract and para 0012, English translation, Fig. 1, Japanese version)

As not all of the elements and limitations of Claims 1 and 71 are taught by Hayashi, the claims are not anticipated, and are allowable.

# 35 U.S.C. § 102 (b)

Claims 1, 3-6, 8, 10-13, 17-20 and 71 were rejected under 35 U.S.C. § 102 (b) as being anticipated by Kondo (JP 2000-207713; "Kondo").

Kondo teaches separating the magneto-resistive effect element 1 and the terminal 4 of a terminal pair with the non-conductor material 3. The magneto-restrictive layer is shown in Fig. 1 to have a flat top and no recesses, and thus does not correspond to the arrangement of amended Claims 1 and 71 which recite a laminate with recesses. (Kondo, para 0023 and Fig. 1)

As not all of the elements and limitations of Claims 1 and 71 are taught by Kondo, the claims are not anticipated, and are allowable. Claims 2-6, 8-13, 15-20 are dependent directly or indirectly on Claim 1, and are allowable, without more.

### 35 U.S.C. § 103 (a)

Claims 2, 9 and 16 were rejected under 35 U.S.C. § 103 (a) as being unpatentable over Kondo (JP 2000-207713; "Kondo") in view of Hasegawa et al. (JP 2000-276719; "Hasegawa"). Claims 2, 5, 9, 12, 16 and 19 were rejected under 35 U.S.C. § 103 (a) as being unpatentable over Hayashi (JP 2001-043512; "Hayashi") in view of Hasegawa et al. (JP 2000-276719; "Hasegawa"). Claims 2, 5, 9, 12, 16 and 19 are claims dependent on Claim 1, and while there exist valid rebuttals to the Examiner's rejection, the matter is moot as the claims are allowable, without more, as claims dependent on an allowable base claim.

### Withdrawn Claims

The Applicant respectfully submits that the election requirement applicable to Claims 7, 14, and 21 should now be withdrawn, as they are claims dependent on allowable Claim 1.

The Applicant asserts that now allowable Claim 71 is a generic claim, and has amended withdrawn Claims 29, 30 and 31 to be dependent thereon.

Withdrawn Claims 32-63 are now also indirectly dependent on Claim 71, and the Applicant respectfully submits that these claims are, without more, allowable.

### Conclusion

As a result of this amendment, Claims 1-6, 8-13, 15-20 and 71 are pending. The Applicant respectfully submits that the pending claims are in condition for allowance and request that a Notice of Allowance be promptly issued. The Applicant respectfully requests that amended withdrawn Claims 29-63, and Claims 7, 14 and 21 be considered and allowed.

The Examiner is respectfully requested to contact the undersigned in the event that a telephone interview would expedite consideration of the application.

Respectfully submitted,

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